

LEGISLATURE OF THE STATE OF IDAHO
Sixty-first Legislature First Regular Session - 2011

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 95, As Amended, As Amended in the Senate

BY LOCAL GOVERNMENT COMMITTEE

AN ACT

RELATING TO URBAN RENEWAL; AMENDING SECTION 50-2006, IDAHO CODE, TO PROVIDE FOR AN ELECTION, TO REVISE PROVISIONS RELATING TO ESTABLISHING A BOARD OF COMMISSIONERS, TO PROVIDE FOR COMPOSITION OF A BOARD OF COMMISSIONERS, TO PROVIDE FOR BOARD TERMS, TO REVISE PROVISIONS RELATING TO REMOVAL OF A COMMISSIONER, TO PROVIDE FOR FILLING A VACANCY, TO REVISE PROVISIONS RELATING TO THE ELECTION OF BOARD OFFICERS AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 50-2007, IDAHO CODE, TO REVISE POWERS OF URBAN RENEWAL; AMENDING SECTION 50-2008, IDAHO CODE, TO REVISE THE COMMENT PERIOD, TO PROVIDE A CORRECT CITATION AND TO PROVIDE ADDITIONAL PLAN REQUIREMENTS; AMENDING SECTION 50-2018, IDAHO CODE, TO REVISE THE DEFINITIONS OF "DETERIORATED AREA" AND "DETERIORATING AREA"; AMENDING CHAPTER 20, TITLE 50, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 50-2033, IDAHO CODE, TO PROVIDE FOR PROHIBITED AMENDMENTS; AMENDING SECTION 50-2903, IDAHO CODE, TO REVISE THE DEFINITIONS OF "DETERIORATED AREA" AND "TERMINATION DATE" AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SECTION 50-2904, IDAHO CODE, TO REVISE PROVISIONS RELATING TO REVENUE ALLOCATION AREAS AND MONEYS OBTAINED THERETO; AMENDING SECTION 50-2905, IDAHO CODE, TO PROVIDE FOR A STATEMENT DESCRIBING CERTAIN VALUES; AMENDING SECTION 50-2909, IDAHO CODE, TO PROVIDE ON AND AFTER JULY 1, 2011, THAT BONDS MAY BE ISSUED FOR A MAXIMUM PERIOD OF TWENTY YEARS; PROVIDING SEVERABILITY; DECLARING AN EMERGENCY, PROVIDING RETROACTIVE APPLICATION AND PROVIDING EFFECTIVE DATES.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 50-2006, Idaho Code, be, and the same is hereby amended to read as follows:

50-2006. URBAN RENEWAL AGENCY. (a) There is hereby created in each municipality an independent public body corporate and politic to be known as the "urban renewal agency" that was created by resolution as provided in section 50-2005, Idaho Code, before July 1, 2011, for the municipality; provided, that such agency shall not transact any business or exercise its powers hereunder until or unless: (1) the local governing body has made the findings prescribed in section 50-2005, Idaho Code; and provided further, that such agency created after July 1, 2011, shall not transact any business or exercise its powers provided for in this chapter until (2) a majority of qualified electors, voting in a citywide or countywide election depending on the municipality in which such agency is created, vote to authorize such agency to transact business and exercise its powers provided for in this chapter. If prior to July 1, 2011, the local governing body has made the findings prescribed in subsection (a) (1) of this section then such agency shall transact business and shall exercise its powers hereunder and is not subject to the requirements of subsection (a) (2) of this section.

1 (b) Upon satisfaction of the requirements under subsection (a) of
 2 this ~~Upon the local governing body making such findings,~~ section, the ur-
 3 ban renewal agency is authorized to transact the business and exercise the
 4 powers hereunder by a board of commissioners to be ~~appointed or designated~~
 5 established as follows:

6 (1) The mayor, by and with the advice and consent of the local governing
 7 body, shall appoint a board of commissioners of the urban renewal agency
 8 which shall consist of not less than three (3) commissioners nor more
 9 than nine (9) commissioners. In the order of appointment, the mayor
 10 shall designate the number of commissioners to be appointed, and the
 11 term of each, provided that the original term of office of no more than
 12 two (2) commissioners shall expire in the same year. The commissioners
 13 shall serve for terms not to exceed five (5) years, from the date of ap-
 14 pointment, except that all vacancies shall be filled for the unexpired
 15 term.

16 (2) For inefficiency or neglect of duty or misconduct in office, a com-
 17 missioner may be removed by a majority vote of the board or by the local
 18 governing body only after a hearing and after he shall have been given
 19 a copy of the charges at least ten (10) days prior to such hearings and
 20 have had an opportunity to be heard in person or by counsel. Any commis-
 21 sion position which becomes vacant at a time other than the expiration
 22 of a term shall be filled by a majority vote of the board. The board may
 23 elect any person to fill such vacant position where such person meets
 24 the requirements of a commissioner provided for in this chapter.

25 (23) By enactment of an ordinance, the local governing body may appoint
 26 and designate itself to be the board of commissioners of the urban re-
 27 newal agency, in which case all the rights, powers, duties, privileges
 28 and immunities vested by the urban renewal law of 1965, and as amended,
 29 in an appointed board of commissioners, shall be vested in the local
 30 governing body, who shall, in all respects when acting as an urban re-
 31 newal agency, be acting as an arm of state government, entirely separate
 32 and distinct from the municipality, to achieve, perform and accomplish
 33 the public purposes prescribed and provided by said urban renewal law of
 34 1965, and as amended.

35 (34) By enactment of an ordinance, the local governing body may termi-
 36 nate the appointed board of commissioners and thereby appoint and des-
 37 ignate itself as the board of commissioners of the urban renewal agency.

38 (c) A commissioner shall receive no compensation for his services but
 39 shall be entitled to the necessary expenses, including traveling expenses,
 40 incurred in the discharge of his duties. Each commissioner shall hold office
 41 until his successor has been appointed and has qualified. A certificate of
 42 the appointment or reappointment of any commissioner shall be filed with the
 43 clerk of the municipality and such certificate shall be conclusive evidence
 44 of the due and proper appointment of such commissioner.

45 The powers of an urban renewal agency shall be exercised by the commis-
 46 sioners thereof. A majority of the commissioners shall constitute a quo-
 47 rum for the purpose of conducting business and exercising the powers of the
 48 agency and for all other purposes. Action may be taken by the agency upon a
 49 vote of a majority of the commissioners present, unless in any case the by-
 50 laws shall require a larger number.

1 ~~The mayor may appoint a chairman, a cochairman, or a vice chairman for~~
2 ~~a term of office of one (1) year from among the commissioners, thereafter~~
3 ~~the commissioners shall elect the chairman, cochairman or vice chairman for~~
4 ~~a term of one (1) year from among their members. An agency may employ an~~
5 ~~executive director, technical experts and such other agents and employees,~~
6 ~~permanent and temporary, as it may require, and determine their qualifica-~~
7 ~~tions, duties and compensation. For such legal service as it may require,~~
8 ~~an agency may employ or retain its own counsel and legal staff. An agency~~
9 ~~authorized to transact business and exercise powers under this chapter shall~~
10 ~~file, with the local governing body, on or before March 31 of each year a~~
11 ~~report of its activities for the preceding calendar year, which report shall~~
12 ~~include a complete financial statement setting forth its assets, liabili-~~
13 ~~ties, income and operating expense as of the end of such calendar year. The~~
14 ~~agency shall be required to hold a public meeting to report these findings~~
15 ~~and take comments from the public. At the time of filing the report, the~~
16 ~~agency shall publish in a newspaper of general circulation in the community~~
17 ~~a notice to the effect that such report has been filed with the municipality~~
18 ~~and that the report is available for inspection during business hours in the~~
19 ~~office of the city clerk or county recorder and in the office of the agency.~~

20 (d) An urban renewal agency shall have the same fiscal year as a munici-
21 ~~pality and shall be subject to the same audit requirements as a municipality.~~
22 ~~An urban renewal agency shall be required to prepare and file with its lo-~~
23 ~~cal governing body an annual financial report and shall prepare, approve and~~
24 ~~adopt an annual budget for filing with the local governing body, for informa-~~
25 ~~tional purposes. A budget means an annual estimate of revenues and expenses~~
26 ~~for the following fiscal year of the agency.~~

27 (e) An urban renewal agency shall comply with the public records law
28 pursuant to chapter 3, title 9, Idaho Code, open meetings law pursuant to
29 chapter 23, title 67, Idaho Code, the ethics in government law pursuant to
30 chapter 7, title 59, Idaho Code, and the competitive bidding provisions of
31 chapter 28, title 67, Idaho Code.

32 SECTION 2. That Section 50-2007, Idaho Code, be, and the same is hereby
33 amended to read as follows:

34 50-2007. POWERS. Every urban renewal agency shall have all the powers
35 necessary or convenient to carry out and effectuate the purposes and pro-
36 visions of this act, including the following powers in addition to others
37 herein granted:

38 (a) to undertake and carry out urban renewal projects and related ac-
39 tivities within its area of operation; and to make and execute contracts and
40 other instruments necessary or convenient to the exercise of its powers un-
41 der this act; and to disseminate slum clearance and urban renewal informa-
42 tion;

43 (b) to provide or to arrange or contract for the furnishing or repair
44 by any person or agency, public or private, of services, privileges, works,
45 streets, roads, public utilities or other facilities for or in connec-
46 tion with an urban renewal project; to install, construct, and reconstruct
47 streets, utilities, parks, playgrounds, off-street parking facilities,
48 public facilities, other buildings or public improvements; and any improve-
49 ments necessary or incidental to a redevelopment project; and to agree to

1 any conditions that it may deem reasonable and appropriate attached to fed-
2 eral financial assistance and imposed pursuant to federal law relating to
3 the determination of prevailing salaries or wages or compliance with labor
4 standards, in the undertaking or carrying out of an urban renewal project and
5 related activities, and to include in any contract let in connection with
6 such a project and related activities, provisions to fulfill such of said
7 conditions as it may deem reasonable and appropriate;

8 (c) within its area of operation, to enter into any building or property
9 in any urban renewal area in order to make inspections, surveys, appraisals,
10 soundings or test borings, and to obtain, upon sufficient cause and after a
11 hearing on the matter, an order for this purpose from a court of competent
12 jurisdiction in the event entry is denied or resisted; to acquire by pur-
13 chase, lease, option, gift, grant, bequest, devise, eminent domain or oth-
14 erwise, any real property (or personal property for its administrative pur-
15 poses) together with any improvements thereon; to hold, improve, renovate,
16 rehabilitate, clear or prepare for redevelopment any such property or build-
17 ings; to mortgage, pledge, hypothecate or otherwise encumber or dispose of
18 any real property; to insure or provide for the insurance of any real or per-
19 sonal property or operations of the municipality against any risks or haz-
20 ards, including the power to pay premiums on any such insurance; and to enter
21 into any contracts necessary to effectuate the purposes of this act: Pro-
22 vided, however, that no statutory provision with respect to the acquisition,
23 clearance or disposition of property by public bodies shall restrict a mu-
24 nicipality or other public body exercising powers hereunder in the exercise
25 of such functions with respect to an urban renewal project and related activ-
26 ities, unless the legislature shall specifically so state;

27 (d) with the approval of the local governing body, (1) prior to approval
28 of an urban renewal plan, or approval of any modifications of the plan, to ac-
29 quire real property in an urban renewal area, demolish and remove any struc-
30 tures on the property, and pay all costs related to the acquisition, demoli-
31 tion, or removal, including any administrative or relocation expenses; and
32 (2) to assume the responsibility to bear any loss that may arise as the result
33 of the exercise of authority under this subsection in the event that the real
34 property is not made part of the urban renewal project;

35 (e) to invest any urban renewal funds held in reserves or sinking funds
36 or any such funds not required for immediate disbursement, in property
37 or securities in which savings banks may legally invest funds subject to
38 their control; to redeem such bonds as have been issued pursuant to section
39 50-2012, Idaho Code, at the redemption price established therein or to pur-
40 chase such bonds at less than redemption price, all such bonds so redeemed or
41 purchased to be canceled;

42 (f) to borrow money and to apply for and accept advances, loans, grants,
43 contributions and any other form of financial assistance from the federal
44 government, the state, county, or other public body, or from any sources,
45 public or private, for the purposes of this act, and to give such security
46 as may be required and to enter into and carry out contracts or agreements
47 in connection therewith; and to include in any contract for financial as-
48 sistance with the federal government for or with respect to an urban renewal
49 project and related activities such conditions imposed pursuant to federal

1 laws as the municipality may deem reasonable and appropriate and which are
2 not inconsistent with the purposes of this act;

3 (g) within its area of operation, to make or have made all surveys and
4 plans necessary to the carrying out of the purposes of this act and to con-
5 tract with any person, public or private, in making and carrying out such
6 plans and to adopt or approve, modify and amend such plans, which plans may
7 include, but are not limited to: (1) plans for carrying out a program of vol-
8 untary compulsory repair and rehabilitation of buildings and improvements,
9 (2) plans for the enforcement of state and local laws, codes and regulations
10 relating to the use of land and the use and occupancy of buildings and im-
11 provements and to the compulsory repair, rehabilitation, demolition, or
12 removal of buildings and improvements, and (3) appraisals, title searches,
13 surveys, studies, and other plans and work necessary to prepare for the un-
14 dertaking of urban renewal projects and related activities; and to develop,
15 test, and report methods and techniques, and carry out demonstrations and
16 other activities, for the prevention and the elimination of slums and urban
17 blight and developing and demonstrating new or improved means of providing
18 housing for families and persons of low income and to apply for, accept and
19 utilize grants of funds from the federal government for such purposes;

20 (h) to prepare plans for and assist in the relocation of persons (in-
21 cluding individuals, families, business concerns, nonprofit organizations
22 and others) displaced from an urban renewal area, and notwithstanding any
23 statute of this state to make relocation payments to or with respect to such
24 persons for which reimbursement or compensation is not otherwise made, in-
25 cluding the making of such payments financed by the federal government;

26 (i) to exercise all or any part or combination of powers herein granted;

27 (j) in addition to its powers under subsection (b) of this section,
28 an agency may construct foundations, platforms, and other like structural
29 forms necessary for the provision or utilization of air rights sites for
30 buildings and to be used for residential, commercial, industrial, and other
31 uses contemplated by the urban renewal plan, and to provide utilities to the
32 development site; and

33 (k) to use, lend or invest funds obtained from the federal government
34 for the purposes of this act if allowable under federal laws or regulations.

35 SECTION 3. That Section 50-2008, Idaho Code, be, and the same is hereby
36 amended to read as follows:

37 50-2008. PREPARATION AND APPROVAL OF PLAN FOR URBAN RENEWAL
38 PROJECT. (a) An urban renewal project for an urban renewal area shall not
39 be planned or initiated unless the local governing body has, by resolution,
40 determined such area to be a deteriorated area or a deteriorating area or
41 a combination thereof and designated such area as appropriate for an urban
42 renewal project.

43 (b) An urban renewal agency may itself prepare or cause to be prepared
44 an urban renewal plan, or any person or agency, public or private, may sub-
45 mit such a plan to an urban renewal agency. Prior to its approval of an urban
46 renewal project, the local governing body shall submit such plan to the plan-
47 ning commission of the municipality, if any, for review and recommendations
48 as to its conformity with the general plan for the development of the munic-
49 ipality as a whole. The planning commission shall submit its written recom-

1 mendations with respect to the proposed urban renewal plan to the local gov-
 2 erning body within ~~thirty~~ sixty (~~30~~ 60) days after receipt of the plan for re-
 3 view. Upon receipt of the recommendations of the planning commission, or if
 4 no recommendations are received within said ~~30~~ sixty (~~30~~ 60) days, then without
 5 such recommendations, the local governing body may proceed with the hearing
 6 on the proposed urban renewal project prescribed by subsection (c) hereof.

7 (c) The local governing body shall hold a public hearing on an urban
 8 renewal project, after public notice thereof by publication in a newspaper
 9 having a general circulation in the area of operation of the municipality.
 10 The notice shall describe the time, date, place and purpose of the hearing,
 11 shall generally identify the urban renewal area covered by the plan, and
 12 shall outline the general scope of the urban renewal project under consid-
 13 eration.

14 (d) Following such hearing, the local governing body may approve an ur-
 15 ban renewal project and the plan therefor if it finds that (1) a feasible
 16 method exists for the location of families who will be displaced from the ur-
 17 ban renewal area in decent, safe and sanitary dwelling accommodations within
 18 their means and without undue hardship to such families; (2) the urban re-
 19 newal plan conforms to the general plan of the municipality as a whole; (3)
 20 the urban renewal plan gives due consideration to the provision of adequate
 21 park and recreational areas and facilities that may be desirable for neigh-
 22 borhood improvement, with special consideration for the health, safety and
 23 welfare of children residing in the general vicinity of the site covered by
 24 the plan; and (4) the urban renewal plan will afford maximum opportunity,
 25 consistent with the sound needs of the municipality as a whole, for the reha-
 26 bilitation or redevelopment of the urban renewal area by private enterprise:
 27 Provided, that if the urban renewal area consists of an area of open land to
 28 be acquired by the urban renewal agency, such area shall not be so acquired
 29 unless (1) if it is to be developed for residential uses, the local governing
 30 body shall determine that a shortage of housing of sound standards and design
 31 which is decent, safe and sanitary exists in the municipality; that the need
 32 for housing accommodations has been or will be increased as a result of the
 33 clearance of slums in other areas; that the conditions of blight in the area
 34 and the shortage of decent, safe and sanitary housing cause or contribute to
 35 an increase in and spread of disease and crime and constitute a menace to the
 36 public health, safety, morals, or welfare; and that the acquisition of the
 37 area for residential uses is an integral part of and essential to the pro-
 38 gram of the municipality, or (2) if it is to be developed for nonresidential
 39 uses, the local governing body shall determine that such nonresidential uses
 40 are necessary and appropriate to facilitate the proper growth and develop-
 41 ment of the community in accordance with sound planning standards and local
 42 community objectives, which acquisition may require the exercise of govern-
 43 mental action, as provided in this act, because of defective or unusual con-
 44 ditions of title, diversity of ownership, tax delinquency, improper subdivi-
 45 sions, outmoded street patterns, deterioration of site, economic disuse,
 46 unsuitable topography or faulty lot layouts, the need for the correlation of
 47 the area with other areas of a municipality by streets and modern traffic re-
 48 quirements, or any combination of such factors or other conditions which re-
 49 tard development of the area.

(e) An urban renewal plan may be modified at any time: Provided that if modified after the lease or sale by the urban renewal agency of real property in the urban renewal project area, such modification may be conditioned upon such approval of the owner, lessee or successor in interest as the urban renewal agency may deem advisable and in any event shall be subject to such rights at law or in equity as a lessee or purchaser, or his successor or successors in interest, may be entitled to assert.

(f) Upon the approval by the local governing body of an urban renewal plan or of any modification thereof, such plan or modification shall be deemed to be in full force and effect for the respective urban renewal area, and the urban renewal agency may then cause such plan or modification to be carried out in accordance with its terms.

(g) Notwithstanding any other provisions of this act, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the governor of the state has certified the need for disaster assistance under ~~Public Law 875, Eighty-first Congress~~ 42 U.S.C. section 5121, or other federal law, the local governing body may approve an urban renewal plan and an urban renewal project with respect to such area without regard to the provisions of subsection (d) of this section and the provisions of this section requiring a general plan for the municipality and a public hearing on the urban renewal project.

(h) Any urban renewal plan containing a revenue allocation financing provision shall include the information set forth in section 50-2905, Idaho Code.

SECTION 4. That Section 50-2018, Idaho Code, be, and the same is hereby amended to read as follows:

50-2018. DEFINITIONS. The following terms wherever used or referred to in this chapter, shall have the following meanings, unless a different meaning is clearly indicated by the context:

(1) "Agency" or "urban renewal agency" shall mean a public agency created by section 50-2006, Idaho Code.

(2) "Municipality" shall mean any incorporated city or town, or county in the state.

(3) "Public body" shall mean the state or any municipality, township, board, commission, authority, district, or any other subdivision or public body of the state.

(4) "Local governing body" shall mean the council or other legislative body charged with governing the municipality.

(5) "Mayor" shall mean the mayor of a municipality or other officer or body having the duties customarily imposed upon the executive head of a municipality.

(6) "Clerk" shall mean the clerk or other official of the municipality who is the custodian of the official records of such municipality.

(7) "Federal government" shall include the United States of America or any agency or instrumentality, corporate or otherwise, of the United States of America.

(8) "Deteriorated area" shall mean an area in which there is a predominance of buildings or improvements, whether residential or nonresidential,

1 which by reason of dilapidation, deterioration, age or obsolescence, inad-
 2 equate provision for ventilation, light, air, sanitation, or open spaces,
 3 high density of population and overcrowding, or the existence of conditions
 4 which endanger life or property by fire and other causes, or any combination
 5 of such factors is conducive to ill health, transmission of disease, infant
 6 mortality, juvenile delinquency, or crime, and is detrimental to the public
 7 health, safety, morals or welfare. Provided however, this definition shall
 8 not apply to any agricultural operation, as defined in section 22-4502(1),
 9 Idaho Code, absent the consent of the owner of the agricultural operation
 10 or to any forest land as defined in section 63-1701(4), Idaho Code, absent
 11 the consent of the forest landowner, as defined in section 63-1701(5), Idaho
 12 Code, except for an agricultural operation or forest land that has not been
 13 used for three (3) consecutive years.

14 (9) "Deteriorating area" shall mean an area which by reason of the pres-
 15 ence of a substantial number of deteriorated or deteriorating structures,
 16 predominance of defective or inadequate street layout, faulty lot layout
 17 in relation to size, adequacy, accessibility or usefulness, insanitary or
 18 unsafe conditions, deterioration of site or other improvements, diversity
 19 of ownership, tax or special assessment delinquency exceeding the fair value
 20 of the land, defective or unusual conditions of title, or the existence of
 21 conditions which endanger life or property by fire and other causes, or any
 22 combination of such factors, substantially impairs or arrests the sound
 23 growth of a municipality, retards the provision of housing accommodations
 24 or constitutes an economic or social liability and is a menace to the public
 25 health, safety, morals or welfare in its present condition and use; pro-
 26 vided, that if such deteriorating area consists of open land the conditions
 27 contained in the proviso in section 50-2008(d), Idaho Code, shall apply; and
 28 provided further, that any disaster area referred to in section 50-2008(g),
 29 Idaho Code, shall constitute a deteriorating area. Provided however, this
 30 definition shall not apply to any agricultural operation, as defined in
 31 section 22-4502(1), Idaho Code, absent the consent of the owner of the agri-
 32 cultural operation or to any forest land as defined in section 63-1701(4),
 33 Idaho Code, absent the consent of the forest landowner, as defined in section
 34 63-1701(5), Idaho Code, except for an agricultural operation or forest land
 35 that has not been used for three (3) consecutive years.

36 (10) "Urban renewal project" may include undertakings and activities of
 37 a municipality in an urban renewal area for the elimination of deteriorated
 38 or deteriorating areas and for the prevention of the development or spread
 39 of slums and blight, and may involve slum clearance and redevelopment in an
 40 urban renewal area, or rehabilitation or conservation in an urban renewal
 41 area, or any combination or part thereof in accordance with an urban renewal
 42 plan. Such undertakings and activities may include:

- 43 (a) Acquisition of a deteriorated area or a deteriorating area or por-
 44 tion thereof;
- 45 (b) Demolition and removal of buildings and improvements;
- 46 (c) Installation, construction, or reconstruction of streets, utili-
 47 ties, parks, playgrounds, off-street parking facilities, public facil-
 48 ities or buildings and other improvements necessary for carrying out in
 49 the urban renewal area the urban renewal objectives of this chapter in
 50 accordance with the urban renewal plan;

(d) Disposition of any property acquired in the urban renewal area, including sale, initial leasing or retention by the agency itself, at its fair value for uses in accordance with the urban renewal plan except for disposition of property to another public body;

(e) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan;

(f) Acquisition of real property in the urban renewal area which, under the urban renewal plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property;

(g) Acquisition of any other real property in the urban renewal area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration, or to provide land for needed public facilities;

(h) Lending or investing federal funds; and

(i) Construction of foundations, platforms and other like structural forms.

(11) "Urban renewal area" means a deteriorated area or a deteriorating area or a combination thereof which the local governing body designates as appropriate for an urban renewal project.

(12) "Urban renewal plan" means a plan, as it exists from time to time, for an urban renewal project, which plan:

(a) Shall conform to the general plan for the municipality as a whole except as provided in section 50-2008(g), Idaho Code; and

(b) Shall be sufficiently complete to indicate such land acquisition, demolition and removal of structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out in the urban renewal area, zoning and planning changes, if any, land uses, maximum densities, building requirements, and any method or methods of financing such plan, which methods may include revenue allocation financing provisions.

(13) "Related activities" shall mean:

(a) Planning work for the preparation or completion of a community-wide plan or program pursuant to section 50-2009, Idaho Code; and

(b) The functions related to the acquisition and disposal of real property pursuant to section 50-2007(d), Idaho Code.

(14) "Real property" shall include all lands, including improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest, right and use, legal or equitable, therein, including terms for years and liens by way of judgment, mortgage or otherwise.

(15) "Bonds" shall mean any bonds, including refunding bonds, notes, interim certificates, certificates of indebtedness, debentures or other obligations.

(16) "Obligee" shall include any bondholder, agents or trustees for any bondholders, or lessor demising to the municipality property used in connection with urban renewal, or any assignee or assignees of such lessor's inter-

1 est or any part thereof, and the federal government when it is a party to any
2 contract with the municipality.

3 (17) "Person" shall mean any individual, firm, partnership, corpora-
4 tion, company, association, joint stock association, or body politic; and
5 shall include any trustee, receiver, assignee, or other person acting in a
6 similar representative capacity.

7 (18) "Area of operation" shall mean the area within the corporate limits
8 of the municipality and the area within five (5) miles of such limits, except
9 that it shall not include any area which lies within the territorial bound-
10 aries of another incorporated city or town or within the unincorporated area
11 of the county unless a resolution shall have been adopted by the governing
12 body of such other city, town or county declaring a need therefor.

13 (19) "Board" or "commission" shall mean a board, commission, depart-
14 ment, division, office, body or other unit of the municipality.

15 (20) "Public officer" shall mean any officer who is in charge of any de-
16 partment or branch of the government of the municipality relating to health,
17 fire, building regulations, or to other activities concerning dwellings in
18 the municipality.

19 SECTION 5. That Chapter 20, Title 50, Idaho Code, be, and the same is
20 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
21 ignated as Section 50-2033, Idaho Code, and to read as follows:

22 50-2033. PROHIBITED AMENDMENT. Except for consolidation of revenue
23 allocation areas, a revenue allocation area may not be amended to extend its
24 boundaries. An amendment to an urban renewal plan created under this chapter
25 that does not seek to increase the geographic area of the plan, or does not
26 seek to extend the years of the plan beyond the maximum term allowed under
27 chapter 29, title 50, Idaho Code, is not a prohibited amendment. No amend-
28 ment to an existing revenue allocation area shall be interpreted to or shall
29 cause an extension of the limitations established for the existing revenue
30 allocation area as set forth in section 50-2904, Idaho Code. Notwith-
31 standing these limitations, an urban renewal plan that includes a revenue
32 allocation area may be extended only one (1) time to extend the boundary of
33 the revenue allocation so long as the total area to be added is not greater
34 than ten percent (10%) of the existing revenue allocation area and the area
35 to be added is contiguous to the existing revenue allocation area but such
36 contiguity cannot be established solely by a shoestring or strip of land
37 which comprises a railroad or public right-of-way.

38 SECTION 6. That Section 50-2903, Idaho Code, be, and the same is hereby
39 amended to read as follows:

40 50-2903. DEFINITIONS. The following terms used in this chapter shall
41 have the following meanings, unless the context otherwise requires:

42 (1) "Act" or "this act" means this revenue allocation act.

43 (2) "Agency" or "urban renewal agency" means a public body created pur-
44 suant to section 50-2006, Idaho Code.

45 (3) "Authorized municipality" or "municipality" means any county or
46 incorporated city which has established an urban renewal agency, or by or-

1 dinance has identified and created a competitively disadvantaged border
2 community.

3 (4) "Base assessment roll" means the equalized assessment rolls, for
4 all classes of taxable property, on January 1 of the year in which the local
5 governing body of an authorized municipality passes an ordinance adopting
6 or modifying an urban renewal plan containing a revenue allocation financ-
7 ing provision, except that the base assessment roll shall be adjusted as fol-
8 lows: the equalized assessment valuation of the taxable property in a rev-
9 enue allocation area as shown upon the base assessment roll shall be reduced
10 by the amount by which the equalized assessed valuation as shown on the base
11 assessment roll exceeds the current equalized assessed valuation of any tax-
12 able property located in the revenue allocation area, and by the equalized
13 assessed valuation of taxable property in such revenue allocation area that
14 becomes exempt from taxation subsequent to the date of the base assessment
15 roll. The equalized assessed valuation of the taxable property in a rev-
16 enue allocation area as shown on the base assessment roll shall be increased
17 by the equalized assessed valuation, as of the date of the base assessment
18 roll, of taxable property in such revenue allocation area that becomes tax-
19 able after the date of the base assessment roll, provided any increase in
20 valuation caused by the removal of the agricultural tax exemption from unde-
21 veloped agricultural land in a revenue allocation area shall be added to the
22 base assessment roll.

23 (5) "Budget" means an annual estimate of revenues and expenses for the
24 following fiscal year of the agency. An agency shall, by September 1 of each
25 calendar year, adopt and publish, as described in section 50-1002, Idaho
26 Code, a budget for the next fiscal year. An agency may amend its adopted
27 budget using the same procedures as used for adoption of the budget. For
28 the fiscal year that immediately predates the termination date for an urban
29 renewal plan involving a revenue allocation area or will include the termi-
30 nation date, the agency shall adopt and publish a budget specifically for the
31 projected revenues and expenses of the plan and make a determination as to
32 whether the revenue allocation area can be terminated before the January 1
33 of the termination year pursuant to the terms of section 50-2909(4), Idaho
34 Code. In the event that the agency determines that current tax year revenues
35 are sufficient to cover all estimated expenses for the current year and all
36 future years, by September 1 the agency shall adopt a resolution advising and
37 notifying the local governing body, the county auditor, and the state tax
38 commission and recommending the adoption of an ordinance for termination of
39 the revenue allocation area by December 31 of the current year and declaring
40 a surplus to be distributed as described in section 50-2909, Idaho Code,
41 should a surplus be determined to exist. The agency shall cause the ordi-
42 nance to be filed with the office of the county recorder and the Idaho state
43 tax commission as provided in section 63-215, Idaho Code. Upon notification
44 of revenues sufficient to cover expenses as provided herein, the increment
45 value of that revenue allocation area shall be included in the net taxable
46 value of the appropriate taxing districts when calculating the subsequent
47 property tax levies pursuant to section 63-803, Idaho Code. The increment
48 value shall also be included in subsequent notification of taxable value for
49 each taxing district pursuant to section 63-1312, Idaho Code, and subsequent

1 certification of actual and adjusted market values for each school district
2 pursuant to section 63-315, Idaho Code.

3 (6) "Clerk" means the clerk of the municipality.

4 (7) "Competitively disadvantaged border community area" means a parcel
5 of land consisting of at least forty (40) acres which is situated within the
6 jurisdiction of a county or an incorporated city and within twenty-five (25)
7 miles of a state or international border, which the governing body of such
8 county or incorporated city has determined by ordinance is disadvantaged in
9 its ability to attract business, private investment, or commercial develop-
10 ment, as a result of a competitive advantage in the adjacent state or nation
11 resulting from inequities or disparities in comparative sales taxes, income
12 taxes, property taxes, population or unique geographic features.

13 (8) "Deteriorated area" means:

14 (a) Any area, including a slum area, in which there is a predominance
15 of buildings or improvements, whether residential or nonresidential,
16 which by reason of dilapidation, deterioration, age or obsolescence,
17 inadequate provision for ventilation, light, air, sanitation, or open
18 spaces, high density of population and overcrowding, or the existence
19 of conditions which endanger life or property by fire and other causes,
20 or any combination of such factors, is conducive to ill health, trans-
21 mission of disease, infant mortality, juvenile delinquency, or crime,
22 and is detrimental to the public health, safety, morals or welfare.

23 (b) Any area which by reason of the presence of a substantial number of
24 deteriorated or deteriorating structures, predominance of defective or
25 inadequate street layout, faulty lot layout in relation to size, ade-
26 quacy, accessibility or usefulness, insanitary or unsafe conditions,
27 deterioration of site or other improvements, diversity of ownership,
28 tax or special assessment delinquency exceeding the fair value of the
29 land, defective or unusual conditions of title, or the existence of con-
30 ditions which endanger life or property by fire and other causes, or any
31 combination of such factors, results in economic underdevelopment of
32 the area, substantially impairs or arrests the sound growth of a munici-
33 pality, retards the provision of housing accommodations or constitutes
34 an economic or social liability and is a menace to the public health,
35 safety, morals or welfare in its present condition and use.

36 (c) Any area which is predominately open and which because of obsolete
37 platting, diversity of ownership, deterioration of structures or im-
38 provements, or otherwise, results in economic underdevelopment of the
39 area or substantially impairs or arrests the sound growth of a munici-
40 pality. The provisions of section 50-2008(d), Idaho Code, shall apply
41 to open areas.

42 (d) Any area which the local governing body certifies is in need of
43 redevelopment or rehabilitation as a result of a flood, storm, earth-
44 quake, or other natural disaster or catastrophe respecting which the
45 governor of the state has certified the need for disaster assistance
46 under any federal law.

47 (e) Any area which by reason of its proximity to the border of an ad-
48 jacent state is competitively disadvantaged in its ability to attract
49 private investment, business or commercial development which would
50 promote the purposes of this chapter.

(f) "Deteriorated area" does not mean not developed beyond agricultural, or any agricultural operation as defined in section 22-4502(1), Idaho Code, or any forest land as defined in section 63-1701(4), Idaho Code, unless the owner of the agricultural operation or the forest landowner of the forest land gives written consent to be included in the deteriorated area, except for an agricultural operation or forest land that has not been used for three (3) consecutive years.

(9) "Facilities" means land, rights in land, buildings, structures, machinery, landscaping, extension of utility services, approaches, roads, ways and parking, handling and storage areas, and similar auxiliary and related facilities.

(10) "Increment value" means the total value calculated by summing the differences between the current equalized value of each taxable property in the revenue allocation area and that property's current base value on the base assessment roll, provided such difference is a positive value.

(11) "Local governing body" means the city council or board of county commissioners of a municipality.

(12) "Plan" or "urban renewal plan" means a plan, as it exists or may from time to time be amended, prepared and approved pursuant to section 50-2008, Idaho Code, and any method or methods of financing such plan, which methods may include revenue allocation financing provisions.

(13) "Project" or "urban renewal project" or "competitively disadvantaged border areas" may include undertakings and activities of a municipality in an urban renewal area for the elimination of deteriorated or deteriorating areas and for the prevention of the development or spread of slums and blight, and may involve slum clearance and redevelopment in an urban renewal area, or rehabilitation or conservation in an urban renewal area, or any combination or part thereof in accordance with an urban renewal plan. Such undertakings and activities may include:

(a) Acquisition of a deteriorated area or a deteriorating area or portion thereof;

(b) Demolition and removal of buildings and improvement;

(c) Installation, construction, or reconstruction of streets, utilities, parks, playgrounds, open space, off-street parking facilities, public facilities, public recreation and entertainment facilities or buildings and other improvements necessary for carrying out, in the urban renewal area or competitively disadvantaged border community area, the urban renewal objectives of this act in accordance with the urban renewal plan or the competitively disadvantaged border community area ordinance.

(d) Disposition of any property acquired in the urban renewal area or the competitively disadvantaged border community area (including sale, initial leasing or retention by the agency itself) or the municipality creating the competitively disadvantaged border community area at its fair value for uses in accordance with the urban renewal plan except for disposition of property to another public body;

(e) Carrying out plans for a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements in accordance with the urban renewal plan;

(f) Acquisition of real property in the urban renewal area or the competitively disadvantaged border community area which, under the urban renewal plan, is to be repaired or rehabilitated for dwelling use or related facilities, repair or rehabilitation of the structures for guidance purposes, and resale of the property;

(g) Acquisition of any other real property in the urban renewal area or competitively disadvantaged border community area where necessary to eliminate unhealthful, insanitary or unsafe conditions, lessen density, eliminate obsolete or other uses detrimental to the public welfare, or otherwise to remove or to prevent the spread of blight or deterioration, or to provide land for needed public facilities or where necessary to accomplish the purposes for which a competitively disadvantaged border community area was created by ordinance;

(h) Lending or investing federal funds; and

(i) Construction of foundations, platforms and other like structural forms.

(14) "Project costs" includes, but is not limited to:

(a) Capital costs, including the actual costs of the construction of public works or improvements, facilities, buildings, structures, and permanent fixtures; the demolition, alteration, remodeling, repair or reconstruction of existing buildings, structures, and permanent fixtures; the acquisition of equipment; and the clearing and grading of land;

(b) Financing costs, including interest during construction and capitalized debt service or repair and replacement or other appropriate reserves;

(c) Real property assembly costs, meaning any deficit incurred from the sale or lease by a municipality of real or personal property within a revenue allocation district;

(d) Professional service costs, including those costs incurred for architectural, planning, engineering, and legal advice and services;

(e) Direct administrative costs, including reasonable charges for the time spent by municipal employees in connection with the implementation of a project plan;

(f) Relocation costs;

(g) Other costs incidental to any of the foregoing costs.

(15) "Revenue allocation area" means that portion of an urban renewal area or competitively disadvantaged border community area where the equalized assessed valuation (as shown by the taxable property assessment rolls) of which the local governing body has determined, on and as a part of an urban renewal plan, is likely to increase as a result of the initiation of an urban renewal project or competitively disadvantaged border community area. The base assessment roll or rolls of revenue allocation area or areas shall not exceed at any time ten percent (10%) of the current assessed valuation of all taxable property within the municipality.

(16) "State" means the state of Idaho.

(17) "Tax" or "taxes" means all property tax levies upon taxable property.

1 (18) "Taxable property" means taxable real property, personal prop-
 2 erty, operating property, or any other tangible or intangible property
 3 included on the equalized assessment rolls.

4 (19) "Taxing district" means a taxing district as defined in section
 5 63-201, Idaho Code, as that section now exists or may hereafter be amended.

6 (20) "Termination date" means a specific date no later than twenty-four
 7 (240) years from the effective date of an urban renewal plan or as described
 8 in section 50-2904, Idaho Code, on which date the plan shall terminate. Ev-
 9 ery urban renewal plan shall have a termination date that can be modified or
 10 extended subject to the twenty-four (240) year maximum limitation. Provided
 11 however, the duration of a revenue allocation financing provision may be ex-
 12 tended as provided in section 50-2904, Idaho Code.

13 SECTION 7. That Section 50-2904, Idaho Code, be, and the same is hereby
 14 amended to read as follows:

15 50-2904. AUTHORITY TO CREATE REVENUE ALLOCATION AREA. An authorized
 16 municipality is hereby authorized and empowered to adopt, at any time, a
 17 revenue allocation financing provision, as described in this chapter, as
 18 part of an urban renewal plan or competitively disadvantaged border com-
 19 munity area ordinance. A revenue allocation financing provision may be
 20 adopted either at the time of the original adoption of an urban renewal plan
 21 or the creation by ordinance of a competitively disadvantaged border com-
 22 munity area or thereafter as a modification of an urban renewal plan or the
 23 ordinance creating the competitively disadvantaged border community area.
 24 Urban renewal plans existing prior to the effective date of this section
 25 may be modified to include a revenue allocation financing provision. Ex-
 26 cept as provided in subsections (1), (2), ~~and~~ (3) and (4) of this section,
 27 no revenue allocation provision of an urban renewal plan or competitively
 28 disadvantaged border community area ordinance, including all amendments
 29 thereto, shall have a duration exceeding twenty-four (240) years from the
 30 date the ordinance is approved by the municipality; and provided further,
 31 no additions to the land area of an existing revenue allocation area shall
 32 be interpreted to or shall cause an extension of the date of the twenty-four
 33 (240) year limit that was originally established for the revenue allocation
 34 area. Notwithstanding these limitations, the duration of the revenue allo-
 35 cation financing provision may be extended if:

36 (1) The maturity date of any bonds issued to provide funds for a spe-
 37 cific project in the revenue allocation area and payable from the revenue al-
 38 location financing provision exceeds the duration of the revenue allocation
 39 financing provision, provided such bond maturity is not greater than ~~thirty~~
 40 twenty (320) years; or

41 (2) The urban renewal agency determines that it is necessary to refi-
 42 nance outstanding bonds payable from the revenue allocation financing pro-
 43 vision to a maturity exceeding the twenty-four (240) year duration of the
 44 revenue allocation financing provision in order to avoid a default on the
 45 bonds; or

46 (3) The local governing body has adopted an urban renewal plan or com-
 47 petitively disadvantaged border community area ordinance or an amendment to
 48 an urban renewal plan or competitively disadvantaged border community area
 49 ordinance prior to July 1, 2000, in which is defined the duration of the plan

beyond a period of twenty-four (24) years, in which case the revenue allocation provision shall have a duration as described in such urban renewal plan or competitively disadvantaged border community area ordinance or may be extended as set forth in subsection (2) of this section; and

~~(4) During the extensions set forth in subsections (1) and (2) of this section, any revenue allocation area revenues exceeding the amount necessary to repay the bonds during the period exceeding the twenty-four (24) year maturity of the revenue allocation financing provision shall be returned to the taxing districts in the revenue allocation area on a pro rata basis. The local governing body has adopted an urban renewal plan or competitively disadvantaged border community area ordinance or an amendment to an urban renewal plan or competitively disadvantaged border community area ordinance after July 1, 2000, and prior to July 1, 2011, in which is defined the duration of the plan beyond a period of twenty (20) years in which case the revenue allocation provision shall have a duration as described in such urban renewal plan or competitively disadvantaged border community area ordinance. The duration of the revenue allocation financing provision set forth in this subsection may be extended if the maturity date of any bonds issued to provide funds for a specific project in the revenue allocation area and payable from the revenue allocation financing provision exceeds the duration of the revenue allocation financing provision, provided such bond maturity is not greater than thirty (30) years or may be extended as set forth in subsection (2) of this section.~~

~~(5) During the extension set forth in subsections (1), (2), (3) and (4) of this section, any revenue allocation area revenues exceeding the amount necessary to repay the bonds during the period exceeding the maximum year maturity of the revenue allocation financing provision shall be returned to the taxing districts in the revenue allocation area on a pro rata basis.~~

SECTION 8. That Section 50-2905, Idaho Code, be, and the same is hereby amended to read as follows:

50-2905. RECOMMENDATION OF URBAN RENEWAL AGENCY. In order to implement the provisions of this chapter, the urban renewal agency of the municipality shall prepare and adopt a plan for each revenue allocation area and submit the plan and recommendation for approval thereof to the local governing body. The plan shall include ~~a statement listing:~~

~~(1) A statement describing the total assessed valuation of the base assessment roll of the revenue allocation area and the total assessed valuation of all taxable property within the municipality;~~

~~(2) A statement listing tThe kind, number, and location of all proposed public works or improvements within the revenue allocation area;~~

~~(23) An economic feasibility study;~~

~~(34) A detailed list of estimated project costs;~~

~~(45) A fiscal impact statement showing the impact of the revenue allocation area, both until and after the bonds are repaid, upon all taxing districts levying taxes upon property on the revenue allocation area; and~~

~~(56) A description of the methods of financing all estimated project costs and the time when related costs or monetary obligations are to be incurred-;~~

1 (67) A termination date for the plan and the revenue allocation area as
 2 provided for in section 50-2903(20), Idaho Code. In determining the termi-
 3 nation date, the plan shall recognize that the agency shall receive alloca-
 4 tion of revenues in the calendar year following the last year of the revenue
 5 allocation provision described in the urban renewal plan; and

6 (78) A description of the disposition or retention of any assets of the
 7 agency upon the termination date. Provided however, nothing herein shall
 8 prevent the agency from retaining assets or revenues generated from such as-
 9 sets as long as the agency shall have resources other than revenue allocation
 10 funds to operate and manage such assets.

11 SECTION 9. That Section 50-2909, Idaho Code, be, and the same is hereby
 12 amended to read as follows:

13 50-2909. ISSUANCE OF BONDS -- BOND PROVISIONS. (1) If the local gov-
 14 erning body of an authorized municipality has enacted an ordinance adopting
 15 a revenue allocation financing provision as part of an urban renewal plan,
 16 the urban renewal agency established by such municipality is hereby autho-
 17 rized and empowered:

18 (a) To apply the revenues allocated to it pursuant to section 50-2908,
 19 Idaho Code, for payment of the projected costs of any urban renewal
 20 project located in the revenue allocation area;

21 (b) To borrow money, incur indebtedness and issue one (1) or more series
 22 of bonds to finance or refinance, in whole or in part, the urban renewal
 23 projects authorized pursuant to such plan within the limits established
 24 by paragraph (c) of this subsection; and

25 (c) To pledge irrevocably to the payment of principal of and interest
 26 on such moneys borrowed, indebtedness incurred or bonds issued by the
 27 agency the revenues allocated to it pursuant to section 50-2908, Idaho
 28 Code.

29 All bonds issued under this section shall be issued in accordance with sec-
 30 tion 50-2012, Idaho Code, except that such bonds shall be payable solely from
 31 the special fund or funds established pursuant to section 50-2908, Idaho
 32 Code. On and after July 1, 2011, bonds may be issued for a maximum period of
 33 twenty (20) years.

34 (2) The agency shall be obligated and bound to pay such borrowed moneys,
 35 indebtedness, and bonds as the same shall become due, but only to the extent
 36 that the moneys are available in a special fund or funds established under
 37 section 50-2908, Idaho Code; and the agency is authorized to maintain an ad-
 38 equate reserve therefor from any moneys deposited in such a special fund or
 39 funds.

40 (3) Nothing in this chapter shall in any way impair any powers an urban
 41 renewal agency may have under subsection (a) of section 50-2012, Idaho Code.

42 (4) When the revenue allocation area plan budget described in section
 43 50-2903(5), Idaho Code, estimates that all financial obligations have been
 44 provided for, the principal of and interest on such moneys, indebtedness and
 45 bonds have been paid in full, or when deposits in the special fund or funds
 46 created under this chapter are sufficient to pay such principal and interest
 47 as they come due, and to fund reserves, if any, or any other obligations of
 48 the agency funded through revenue allocation proceeds shall be satisfied and
 49 the agency has determined no additional project costs need be funded through

1 revenue allocation financing, the allocation of revenues under section
2 50-2908, Idaho Code, shall thereupon cease; any moneys in such fund or funds
3 in excess of the amount necessary to pay such principal and interest shall be
4 distributed to the affected taxing districts in which the revenue allocation
5 area is located in the same manner and proportion as the most recent distri-
6 bution to the affected taxing districts of the taxes on the taxable property
7 located within the revenue allocation area; and the powers granted to the
8 urban renewal agency under section 50-2909, Idaho Code, shall thereupon
9 terminate.

10 SECTION 10. SEVERABILITY. The provisions of this act are hereby de-
11 clared to be severable and if any provision of this act or the application
12 of such provision to any person or circumstance is declared invalid for any
13 reason, such declaration shall not affect the validity of the remaining por-
14 tions of this act.

15 SECTION 11. An emergency existing therefor, which emergency is hereby
16 declared to exist, this act shall be in full force and effect on and after its
17 passage and approval, and retroactively to January 1, 2011, only as it ap-
18 pears to the amendment of Section 50-2903(4), Idaho Code. All other provi-
19 sions of this act shall be in full force and effect on and after July 1, 2011.